

Town of



AMHERST

Massachusetts

TOWN HALL
4 BOLTWOOD AVENUE
AMHERST, MA 01002

SELECT BOARD
Phone (413) 259-3001
FAX (413) 259-2405

Email: selectboard@amherstma.gov

December 22, 2008

Senator Stan Rosenberg
Hampshire and Franklin District
Room 320
Massachusetts Senate
State House
Boston, MA 02133-1053

Dear Senator Rosenberg,

Thank you for soliciting our thoughts for the Special Commission on Municipal Relief, and congratulations on your appointment as Senate Chair of that body. As Amherst struggles with our FY10 budget picture, we appreciate knowing that you and your colleagues are trying to find ways to help at the State level.

While Amherst faces the same issues of escalating costs and inadequate revenues that plague communities across the Commonwealth, we do so in an unusual environment. As you well know, being home to the flagship campus of the University of Massachusetts, as well as Amherst College and Hampshire College, means that over 15% of Amherst property is tax exempt. And that property is full of college students. Our infrastructure – particularly public safety and roads – needs to support approximately 50% of our population who aren't even on our property tax roles. Another 15% of land is protected conservation land owned by the Commonwealth and the Town. No wonder we are struggling. It's bad enough when the property taxes can't keep pace with the rising cost of providing services; it is that much worse when no property taxes are available from major consumers of those services.

But there are ways the legislature can help.

The Meals Tax: For Amherst, the Meals Tax would be the most direct and efficient way of collecting revenue from the untaxed student portion of our population. Our projections put new revenue from a 2% Meals Tax at \$1.2 million per year. Short of a local option tax on beer, this is Amherst's best hope for addressing the inequity of our property tax situation. Yes, this would tax our non-student population as well, but great restaurants are among the benefits of being a college town, and it would be well worth it.

The Hotel/Motel Tax: Allowing a local option increase here would provide a small but much-needed revenue boost for Amherst, and would be particularly beneficial for our good neighbor, Hadley. Every little bit helps.

The Telecom Poles and Wires Loophole: Again, how much tax exemption can we bear? This is an easy one. The Appellate Tax Board made a good start with this, and now we ask that the Legislature finish the job. This will generate an additional \$230,000 per year in property tax revenue to Amherst.



Health Plan Design and Modification: Our costs are people, because people provide government services. Reducing people costs – without reducing people – is key. The State has given itself this ability because it is vital for cost management, and we implore you to recognize that we need this also. A large and increasing share of Amherst's budget, now 15%, goes to employee health care. If we can achieve savings there, it means we can preserve more of our core services. There could not be a more important time than now for such a significant cost savings opportunity.

Bulk Purchasing for Prescription Drugs: The State enjoys vast buying power. That power should be leveraged to negotiate bulk purchasing of prescription drugs for State and municipal employees. Such an action would mean dramatic savings for individuals, communities and the Commonwealth, and would help cement Massachusetts' position at the forefront of health insurance reform.

Align Charter School and School Choice Funding: The funding formula for Charter Schools is broken. It puts an onerous burden on school budgets, and it creates a negative dynamic in the community. The financial drain the formula inflicts upon the public schools unfairly stigmatizes Charter schools and the families that choose them. The financial, social and educational costs are too much; it is time to use the same cap for Charter and Choice local contributions.

Let the Towns Spend the Fed's Money: Governor Patrick's economic stimulus proposal to President-Elect Obama would be a tremendous boon for Massachusetts. If Federal aid for infrastructure costs is secured, please distribute it directly to the communities. We know our priorities, we know our resources and we know that the only thing standing in the way of our road repair plans is money. Today's highest-priority repairs will take ten years at current Chapter 90 levels, and the backlog continues to grow. If stimulus money were used to boost Chapter 90 funding, it would mean a dramatic improvement to our roadways, and we could accomplish that faster and at lower cost than Mass Highway.

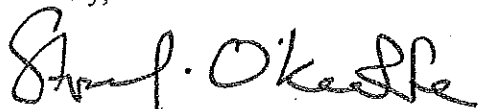
Encourage Energy Efficiency: It is to our collective societal benefit for municipal buildings to be as green and energy efficient as possible. But going green requires some green, and Amherst lacks the resources to cover the investment costs needed to realize long-term savings. Encourage us. Incentivize us. Invest Federal stimulus dollars in the cities and towns for a leaner and greener Massachusetts.

Expand Support for Regionalization: We are looking for the economies of scale regionalization can bring, but we know they carry other costs. More support and incentives from the State help make the necessary local compromises more palatable.

This is a long list of requests, but the scope of our financial problems is such that we truly need every possible option. The more the Legislature can do to provide us with important tools, sound policy and real money, the better positioned communities like Amherst will be to ride out this downturn.

Thank you for your efforts to bring relief to the communities of the Commonwealth.

Sincerely,



Stephanie J. O'Keefe
Chair, Amherst Select Board